

## Message Text

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ACTION EA-09

INFO OCT-01 IO-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 NSC-05 SS-15

STR-04 CEA-01 PA-01 PRS-01 TAR-01 INT-05 /098 W

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R 290838Z OCT 75

FM AMEMBASSY MANILA

TO UEHC/SECSTATE WASHDC 8913

INFO USDEL MTN GENEVA

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E. O. 11652: NA

TAGS: ETRD, RP

SUBJECT: PHILIPPINE ECONOMIC NEGOTIATIONS

1. EMBASSY HAS IMPRESSION, BASED ON ARNOLD CONVERSATIONS INS WASHINGTON AND OTHER PASSING REFERENCES, THAT DEPARTMENT BELIEVES TARIFF CUTS ON PHILIPPINE MAHOGANY PLYWOOD AND VENEER TO BE A SENSITIVE ISSUE FOR U.S. PLYWOOD PRODUCERS.

2. EMBASSY IMPRESSION IS, IN FACT, THE OPPOSITE, I.E. THAT TARIFF CUTS WOULD BE SUPPORTED BY U.S. PLYWOOD PRODUCERS. THIS ATTITUDE WAS EXPRESSED TO AMBASSADOR EARLIER THIS MONTH BY REPRESENTATIVE U.S. PLYWOOD INDUSTRY DURING COURSE OF VISIT TO SORIANO'S BISLIG BAY LOGGING, PLYWOOD, AND PAPER OPERATION.

3. BRONSON LEWIS, EXECUTIVE VICE PRESIDENT OF AMERICAN PLYWOOD ASSOCIATION, STATED DURING BISLIG BAY VISIT THAT U.S. INDUSTRY'S MAJOR CONCERN IS WITH EXPANDING AND PRESERVING THE MARKET FOR PLYWOOD IN COMPETITION WITH SUBSTITUTES, AND HE STATED THAT U.S. INDUSTRY VIEWS AVAILABILITY OF PHILIPPINE PLYWOOD AS BENEFICIAL TO THIS GOAL. HE POINTED OUT THAT IN BOOM PERIODS U.S. PRODUCTION IS INSUFFICIENT

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TO SUPPLY MARKET, RESULTING IN PRICE INCREASES WHICH IN

LONG RUN ARE DETRIMENTAL TO MARKET POSITION OF PLYWOOD  
VIS-A-VIS OTHER BUILDING MATERIALS. PHILIPPINE PLYWOODS,  
HE POINTED OUT, BEING HARDWOODS, TEND TO SUPPLY A  
DIFFERENT MARKET FROM THAT SUPPLIED BY MAJOR U.S. PRODUCERS  
OF SOFTWOOD PLYWOODS, AND U.S. INDUSTRY VIEWS PHILIPPINE  
SUPPLIERS AS PARTNERS MORE THAN COMPETITORS. THUS, LEWIS  
STATED, INDUSTRY FAVORS ZERO TARIFF FOR PHILIPPINE PLYWOOD AND  
WOULD, IN FACT, LIKE TO SEE PHILIPPINE PRODUCERS AS MEMBERS OF  
AMERICAN PLYWOOD ASSOCIATION.

4. WHILE DEPARTMENT MAY WISH TO CONFIRM THESE ATTITUDES  
WITH OTHERS IN INDUSTRY, IT WOULD APPEAR IN VIEW OF LEWIS  
REMARKS THAT DECISIONS ON MAGNITUDE AND TIMING OF PHILIPPINE  
MAHOGANY TARIFF CUTS CAN BE MADE WITH MINIMAL APPREHENSION  
AS TO U.S. INDUSTRY'S REACTIONS.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CUSTOMS DUTIES, PLYWOOD, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 OCT 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Film Number:** D750374-0952  
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**Office:** ACTION EA  
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**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Status:** NATIVE  
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**TAGS:** ETRD, RP, US  
**To:** STATE  
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